

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to PREPA.

**REPLY OF THE PUERTO RICO ELECTRIC POWER AUTHORITY TO
RESPONSE FILED BY JUAN A. BARNES VELEZ AND TERESA ZAMORA CEIDE TO
ONE HUNDRED EIGHTY-SECOND OMNIBUS OBJECTION (NON-SUBSTANTIVE)
TO CLAIMS ASSERTED AGAINST THE INCORRECT DEBTOR**

The Puerto Rico Electric Power Authority (“PREPA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as PREPA’s sole Title III representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² files this reply (the “Reply”) to the *Response of Juan A.*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

Barnes Velez and Teresa Zamora Ceide to One Hundred Eighty-Second Omnibus Objection (Non-Substantive) of the Puerto Rico Electric Power Authority to Claims Asserted Against the Wrong Debtor [ECF Nos. 12337 and, as supplemented, 12372] (the “Response to the One Hundred Eighty-Second Omnibus Objection”), filed by claimants Juan A. Barnes Velez and Teresa Zamora Ceide (the “Claimants”) to the *One Hundred Eighty-Second Omnibus Objection (Non-Substantive) of the Puerto Rico Electric Power Authority to Claims Asserted Against the Wrong Debtor* [ECF No. 12160] (the “One Hundred Eighty-Second Omnibus Objection”). In support of this Reply, PREPA respectfully represents as follows:

1. On March 6, 2020, PREPA filed the One Hundred Eighty-Second Omnibus Objection seeking to reclassify certain proofs of claim (collectively, the “Incorrect Debtor Claims”) listed on Exhibit A thereto. As set forth in the One Hundred Eighty-Second Omnibus Objection, each of the Incorrect Debtor Claims purports to identify as obligor PREPA, when such claims are properly asserted, if at all, against another of the Debtors.

2. Any party who disputed the One Hundred Eighty-Second Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on April 7, 2020, in accordance with the Court-approved notices attached to the One Hundred Eighty-Second Omnibus Objection as Exhibit C, which were served in English and Spanish on the individual creditors subject to the Omnibus Objections, the U.S. Trustee, and the Master Service List (as defined in the *Tenth Amended Case Management Procedures* [ECF No. 8027-1]).

3. Claimants filed their proof of claim on March 29, 2018, which was logged by Prime Clerk as Proof of Claim No. 4617 (“Claim 4617”). Claim 4617 was initially filed against the Puerto Rico Sales Tax Financing Corporation (“COFINA”), asserting a total of \$210,000 in liabilities. The supporting documentation associated with Claim 4617 indicated that \$110,000 of

those liabilities arose from bonds issued by COFINA, and the remaining liabilities arose from bonds issued by other entities, including PREPA. Accordingly, COFINA objected to Claim 4617 as partially duplicative and partially asserted against the incorrect debtor. *See Puerto Rico Sales Tax Financing Corporation's Ninth Omnibus Objection (Non-Substantive) to Duplicate and Incorrect Debtor Bond Claims* [ECF No. 4413] ("COFINA's Ninth Omnibus Objection"). This Court granted that objection, disallowing the portion of Claim 4617 asserting \$110,000 in liabilities associated with bonds issued by COFINA as duplicative of a master proof of claim filed by a bond trustee or fiscal agent on behalf of all COFINA bondholders. Further, based on the supporting documentation associated with Claim 4617, this Court reclassified Claim 4617 as a claim asserted against PREPA in the amount of \$50,000, and a claim asserted against the Employees Retirees System of the Government of the Commonwealth of Puerto Rico ("ERS") in the amount of \$50,000.³ *See Order Granting Puerto Rico Sales Tax Financing Corporation's Ninth Omnibus Objection (Non-Substantive) to Duplicate and Incorrect Debtor Bond Claims* [ECF No. 6009] ("Order Granting COFINA's Ninth Omnibus Objection").

4. On March 12, 2020, and via supplemental filing on March 14, 2020, Claimants timely filed their Response to the One Hundred Eighty-Second Omnibus Objection. Therein, Claimants provided supporting documentation asserting liabilities associated with \$275,000 in bonds issued by PREPA and bearing CUSIP numbers 74526QXT4 and 74256QZR6. However,

³ Though the claims register lists the current claim value of Claim 4617 as \$0, this appears to be an error. Pursuant to the *Order Granting Puerto Rico Sales Tax Financing Corporation's Ninth Omnibus Objection (Non-Substantive) to Duplicate and Incorrect Debtor Bond Claims* [ECF No. 6009], which resolved \$110,000 in liability, and the *Order Granting Thirty-Sixth Omnibus Objection (Non-Substantive) of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Duplicate Bond Claims* [ECF No. 8371], which resolved \$50,000 more in liability, \$50,000 in remaining liability arising from Claim 4617 remains pending against PREPA and has yet to be resolved.

Claimants had previously filed a separate claim against PREPA on March 29, 2018, logged as Proof of Claim No. 5632 (“Claim 5632”), which also asserts \$275,000 in liability in connection with bonds issued by PREPA and bearing CUSIP numbers 74526QXT4 and 74526QZR6. *See Proof of Claim No. 5632.* Claim 5632, which asserts the same liabilities as Claim 4617 (as amended pursuant to the Order Granting COFINA’s Ninth Omnibus Objection), remains pending in PREPA’s Title III case and is not subject to this or any other pending omnibus objection.

5. Accordingly, the portion of Claim 4617 that remains asserted against PREPA is duplicative of Claim 5632, because both claims assert the same liabilities, and attach substantially similar supporting documentation. Failure to disallow Claim 4617 will result in Claimants potentially receiving an unwarranted double recovery against PREPA, to the detriment of other stakeholders in PREPA’s Title III Case. Additionally, Claimants will not be prejudiced by the disallowance of Claim 4617, because the liabilities associated with Claim 4617 are the same as the liabilities associated with Claim 5632. PREPA reserves all rights to object to Claim 5632 on any grounds, including that it is duplicative of the master bond claim filed by U.S. Bank, N.A., in its capacity as trustee for PREPA’s bonds.

6. Accordingly, the Commonwealth respectfully requests that the Court grant the One Hundred Eighty-Second Omnibus Objection and disallow the portion of Claim 4617 asserted against PREPA as duplicative of surviving Claim 5632.

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Dated: January 4, 2021
San Juan, Puerto Rico

Respectfully submitted,

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